

APPEALING A RATE CHANGE DECISION

Made by a Board of Directors or by a City Council

Appealing a Rate Change Decision:

[Per Texas Water Code, Section 13.043(b)]

◆ The retail rates charged by some types of water and sewer utilities are not subject to review by the Texas Natural Resource Conservation Commission (TNRCC) unless an appeal, in the form of a petition, is filed.

◆ The petition must be signed by 10% of the affected ratepayers (customers) eligible to appeal. (If there are more than 100,000 eligible ratepayers, the petition is valid if signed by only 10,000.)

◆ The petition must be sent to the Commission within a specific period of time.

Who Can Appeal a Rate Change Decision?

Ratepayers of the types of utilities listed below can appeal. Also shown is who has original authority to set the rates.

Type of Utility *Who Approves the Rates?*

Water Supply Corporation (WSC) ➤ Board of Directors of the WSC

Water District or River Authority ➤ Board of Directors of the District or Authority

Private- or Investor-Owned Utility Operating Inside a City ➤ City Council

City-Owned Utility Serving Customers Outside the City* ➤ City Council

**Note:* Only ratepayers living *outside* the city are eligible to appeal. The TNRCC does not have jurisdiction to review the rates charged by a city to in-city, retail customers.

Who Can Sign the Petition?

Each person receiving a separate bill is considered a "ratepayer." But a person can only be considered a single ratepayer regardless of the number of bills received. A petition can be signed by either the ratepayer, or their spouse.

What Should the Petition Say?

Each signature page of the petition should include the following:

1. A statement that the petition is an appeal of the decision setting the rates. In the case of an investor-owned utility operating within a city, the petition should state that it appeals the decision of the city on a rate change request by the utility.
2. A short description of the rate change, noting both the old and the new rates.
3. The effective date of the rate change and the date the ratepayers were notified of the rate change.
4. A statement about why a review of the decision setting rates is being requested.
5. The name and address of an individual or organization who is willing to act as the ratepayers' representative.
6. The mailing address and phone number of the utility. In the case of an investor-owned utility operating within a city, the petition should also include the name, mailing address and phone number of the city.

Each ratepayer signing the petition should write legibly and provide the following information:

1. Name,
2. Telephone number,
3. Street or rural address where service is received (a post office box number is not sufficient), and
4. Mailing address (if it differs from the address where service is received).

A sample petition appears on the back of this information sheet. This sample should only be used as a guideline. The wording underlined on the sample should be revised as needed for your petition. All of the elements on the sample, as noted above, should be included in your petition.

How is the Petition Filed?

Send a copy of the petition to the utility, and send the original and four copies to the TNRCC. No filing fee is required.

The petition must be submitted within 90 days after the effective date of the rate change (unless the petition is regarding rates approved by a city for an investor-owned utility).

If the petition is appealing the rates approved by a city for an investor-owned utility, the petition should be submitted within 90 days of the date on which the city made its final decision regarding those rates. A copy of the petition should be sent to the city and to the utility. As noted above, the original and four copies of the petition should be sent to the TNRCC.

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